

Message Text

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ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 IO-10 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

STR-04 TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00

OMB-01 XMB-02 /110 W

----- 032213

R 031145Z JUN 75

FM AMEMBASSY BANGUI

TO SECSTATE WASHDC 5806

INFO AMEMBASSY BRUSSELS

AMEMBASSY KINSHASA

AMEMBASSY LIBREVILLE

AMEMBASSY NDJAMENA

AMEMBASSY PARIS

AMEMBASSY YAOUNDE

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E.O. 11652: N/A

TAGS: ETRD, EFIN, ELAR, UDEAC, CT, CF, GB, CM

SUBJECT: LOME CONVENTION, REVERSE PREFERENCES AND UDEAC

REF: A. BANGUI 0497 (NOTAL) B. BRUSSELS 4101

1. DURING PAST SEVERAL MONTHS EMBASSY HAS BEEN INVOLVED IN INFORMAL AND UNOFFICIAL DIALOGUE WITH UDEAC STAFF (UNION DOUANIERE ET ECONOMIQUE DE L'AFRIQUE CENTRALE COMPOSED OF CAMEROON, CENTRAL AFRICAN REPUBLIC, CONGO AND GABON) REGARDING THE EFFECTS OF THE NEW LOME CONVENTION ESPECIALLY THE ELIMINATION OF THE REQUIREMENT FOR RECIPROCAL TARIFF CONCESSIONS. AS CURRENTLY OPERATED ACCORDING TO THE YAOUNDE II AGREEMENT THE FOUR MEMBER NATION UDEAC TARIFF SYSTEM DISCRIMINATES IN FAVOR OF THE EUROPEAN ECONOMIC COMMUNITY.

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2. WRITING AT HIS OWN INITIATIVE IN A RAMBLING LETTER OF 30 APRIL UDEAC SECRETARY GENERAL PIERRE TCHANQUE ADMITS THAT THE LOME CONVENTION ELIMINATES THE RECIPROCITY REQUIREMENT AND THAT IF IT WISHED UDEAC COULD SUBJECT EEC PRODUCTS TO THE CUSTOMS DUTIES FROM WHICH THEY ARE CURRENTLY EXEMPT. HE STATES THAT ALTHOUGH THE RECIPROCITY REQUIREMENT IS ELIMINATED THIS DOES NOT AUTOMATICALLY CHANGE UDEAC LEGISLATION, AS EXEMPTIONS FROM CUSTOMS DUTIES MUST BE NEGOTIATED BETWEEN UDEAC AND THE INTERESTED PARTIES.

3. TCHANQUE IS SAYING THAT THE ELIMINATION OF THE RECIPROCITY REQUIREMENT BY THE LOME CONVENTION WILL RESULT IN NO IMMEDIATE CHANGES IN THE UDEAC TARIFF CODE. MOREOVER, UDEAC STAFF GENERALLY UNIMPRESSED BY US GENERALIZED SYSTEM OF PREFERENCES, AS THEY SEE LITTLE IMMEDIATE ADVANTAGE FOR UDEAC STATES. IN SAME LETTER TCHANQUE REQUESTS UD PARTICIPATION IN THE NEW DEVELOPMENT BANK BEING FORMED BY UDEAC. BANK TO BE CAPITALIZED AT \$80 MILLION. WE PERCEIVE A LINK IN TCHANQUE'S THINKING BETWEEN THE ELIMINATION OF DISCRIMINATORY TARIFF SYSTEM AND US CONTRIBUTION TO UDEAC DEVELOPMENT BANK.

4. IN CONTEXT OF UDEAC ORGANIZATION SECRETARIAT PERFORMS MAINLY ADMINISTRATIVE FUNCTION. TCHANQUE HOWEVER IS CAPABLE OF LEADERSHIP AND COULD HELP TO INSTIGATE POLICY CHANGES ON THE PART OF UDEAC CHIEFS OF STATE.

5. INDIVIDUAL COUNTRIES SUCH AS THE CENTRAL AFRICAN REPUBLIC WILL CERTAINLY PROTECT THEIR OWN INTERESTS IN ANY FUTURE UDEAC TARIFF DISCUSSION. THE CAR IS POOR AND CONTINUALLY BESET BY FINANCIAL PROBLEMS. IT IS DOUBTFUL IF THE CAR WOULD EITHER LIKE TO GIVE UP REVENUE EARNED BY ELIMINATING CUSTOMS DUTIES FOR THIRD COUNTRIES OR ANTAGONIZE THE FRENCH GOVERNMENT (THE CAR'S CHIEF BENEFACITOR) OR POWERFUL FRENCH COMMERCIAL INTERESTS BY SUBJECTING EEC PRODUCTS TO CUSTOMS DUTIES FROM WHICH THEY ARE NOW EXEMPT. FRENCH GOVERNMENT AND LOCAL BUSINESSMEN HAVE BEEN INSTRUMENTAL IN PROVIDING CASH ON REGULAR AND EMERGENCY BASIS TO ENABLE GOCAR MEET PAYROLLS AND BALANCE BUDGET.

6. EMBASSY HAS BEEN KEEPING GOCAR INFORMED OF DEVELOPMENTS RELIMITED OFFICIAL USE

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GARDING THE 1974 TRADE ACT AND THE GENERALIZED SYSTEM OF PREFERENCES, INCLUDING PROVISION REQUIRING NON-DISCRIMINATORY TARIFFS. WE HAVE NOT YET RECEIVED ANY SUBSTANTIVE REPLIES.

7. IN LIGHT OF PROBLEMS LIKELY TO BE ENCOUNTERED IN GETTING UDEAC LEGISLATION MODIFIED TO CONFORM WITH THE 1974 TRADE ACT GSP PROVISIONS, EMBASSY SOLICITS SUGGESTIONS FROM ADDRESSES AND GUIDANCE FROM DEPARTMENT REGARDING STRATEGY TO BE USED

IN APPROACHING UDEAC ITSELF AND MEMBER GOVERNMENTS, IF SUCH
STEP DEEMED ADVISABLE.

8. TCHANQUE'S LETTER AND REQUEST FOR SUPPORT OF UDEAC
DEVELOPMENT BANK FOLLOW BY AIRGRAM.
DALE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE LAW, FINANCIAL STABILITY, GENERALIZED PREFERENCES (TARIFFS), RELATIONS WITH REGIONAL ORGS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BANGUI00766
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750193-0801
From: BANGUI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750683/aaaacyav.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 BANGUI 0497, 75 (NOTABRUSSELS 4101
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 14 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 APR 2003 by ElyME>; APPROVED <09 DEC 2003 by WorrelSW>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LOME CONVENTION, REVERSE PREFERENCES AND UDEAC
TAGS: ETRD, EFIN, CT, CF, GB, CM, EEC, UDEAC, (TCHANQUE, PIERRE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006